

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Lundin Mining Corporation (“**Lundin Mining**” or the “**Company**”)
150 King Street West, Suite 2200
P.O. Box 38
Toronto, ON M5H 1J9

Item 2 Date of Material Change

December 19, 2021

Item 3 News Release

A news release was disseminated on December 20, 2021 and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On December 20, 2021, the Company announced that it had entered into a definitive agreement (the “**Arrangement Agreement**”) with Josemaria Resources Inc. (“**Josemaria Resources**”) to acquire all of the issued and outstanding common shares of Josemaria Resources through a plan of arrangement (the “**Transaction**”) for an implied equity value of approximately C\$625 million (US\$485 million).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On December 20, 2021, the Company announced that it had entered into the Arrangement Agreement with Josemaria Resources to acquire all of the issued and outstanding common shares of Josemaria Resources pursuant to the Transaction. Josemaria Resources owns 100% of the advanced stage Josemaria copper-gold project located in the San Juan Province of Argentina (the “**Josemaria project**”, “**Josemaria**” or the “**project**”). With the acquisition of Josemaria Resources, Lundin Mining will position itself as a major copper producer with a diversified portfolio of high-quality, long-life base metal assets.

Under the terms of the Transaction, Josemaria Resources shareholders may elect to receive in exchange for each Josemaria Resources common share (a “**Josemaria Resources Share**”), 0.1487 of a common share of Lundin Mining (each whole share, a “**Lundin Mining Share**”) or C\$1.60 cash or any combination thereof issuable to all Josemaria Resources shareholders (collectively, the “**Consideration**”). The Consideration will be subject to a total maximum cash consideration of approximately C\$183 million and a total maximum share consideration of approximately 39.7 million Lundin Mining Shares, equating to 30% of the Consideration payable in cash and 70% of the Consideration payable in Lundin Mining Shares, respectively. The Consideration implies a purchase price of C\$1.60 per Josemaria Resources Share, representing a 29% premium to Josemaria Resources’ 10-day volume weighted average price on the Toronto Stock Exchange (“**TSX**”) for the period ended December 17, 2021. Any cash payments on Josemaria Resources Shares traded on Nasdaq Stockholm will be paid in Swedish kronor in accordance with Euroclear Sweden principles.

Acquisition Highlights and Strategic Rationale

- **Aligned with Lundin Mining's Strategic Goals** – Acquisition of the Josemaria project delivers large-scale copper-gold growth. Delivering on the Company's stated strategy, Josemaria complements the existing portfolio of high-quality, long-life base metals mines and adds a strong third pillar to its South American copper business.
- **Materially Increases Lundin Mining Copper Production and Scale** – Once in production, Josemaria is expected to produce on average over 130,000 tonnes of copper, nearly 225,000 oz of gold and 1.0 million oz of silver annually over a 19-year mine life.¹ This growth would increase the Company's copper production by nearly 50%, and gold production over 140%, compared to guidance for 2022. Josemaria has an estimated 6.7 billion lb of copper, 7.0 million oz of gold and 30.7 million oz of silver in Mineral Reserves.²
- **Clear Path to Development** – Josemaria Resources has been advancing the feasibility-stage project through environmental approvals with the Province of San Juan and has been negotiating commercial and fiscal terms with the San Juan and Federal authorities. Josemaria Resources anticipates these will be finalized in 2022 and has outlined a project timeline of approximately five years to commercial production.
- **Robust Project Economics** – The November 2020 Josemaria Technical Report estimates robust after-tax NPV, IRR and a short payback period using conservative-to-spot metal prices. With cash costs forecast to be in the 2nd quartile globally, Josemaria is positioned to generate meaningful cash flow throughout the metal price cycle.
- **Removes Project Financing Constraints** – Within Lundin Mining, capital financing risks to the project timeline and Josemaria Resources shareholders are significantly reduced. The project capital and development timeline offer many funding options under Lundin Mining's stewardship making advancement of permitting and construction the primary focus. The Company expects to continue to generate significant free cash flow at current metal prices, has significant debt capacity supported by the existing portfolio of assets and can proceed while also advancing organic growth opportunities at existing operations.
- **Asset and Geographic Diversification** – Josemaria adds meaningful-scale copper-gold production growth to Lundin Mining's portfolio, providing further geographic diversification while maintaining a favourable copper-dominant commodity mix.
- **Continued Balance Sheet Strength and Attractive Direct Returns** – The Transaction cash consideration will be financed with existing liquidity, which as at

¹ Unless otherwise noted, all information (including scientific and technical information) relating to the Josemaria Copper-Gold Project contained in this material change report has been derived from or is based on the technical report entitled "NI 43-101 Technical Report, Feasibility Study for the Josemaria Copper-Gold Project, San Juan Province, Argentina" dated November 5, 2020 (the "**Josemaria Technical Report**"), prepared by or under the supervision of Andy Thomas, P.Eng. of SRK Consulting (Canada) Inc., Brian Johnston, P.Eng. of Flour Canada Ltd., Bob McCarthy, P.Eng. of SRK Consulting (Canada) Inc., Cameron Scott, P.Eng. of SRK Consulting (Canada) Inc., Daniel Ruane, P.Eng. of Knight Piesold Ltd., Fionnuala Anna Marie Devine, P. Geo. of Merlin Geosciences Inc., and Jeffery B. Austin, P.Eng. of International Metallurgical and Environmental Inc., who are qualified persons pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

² See "*Mineral Reserve and Mineral Resource Estimates*" of this material change report for information on preparation of Mineral Reserve and Mineral Resource estimates as defined by NI 43-101.

September 30, 2021, included cash and cash equivalents of nearly US\$430 million and approximately US\$780 million available for drawdown on the Company's credit facility. The Company expects to maintain its direct return of capital to shareholders under its dividend framework throughout the development of the Josemaria project.

- **Upside Exploration Potential** – Lundin Mining believes there is significant potential to further increase value over the longer-term leveraging its copper-focused exploration expertise. Exploration potential in a highly prospective and emerging district, combined with the large Mineral Resource base, position Josemaria as the center of gravity for future development and expansion.

Josemaria Copper-Gold Project Overview

Unless otherwise noted, all information (including scientific and technical information) relating to the Josemaria Copper-Gold Project contained in this material change report has been derived from or is based on the Josemaria Technical Report. Further details with respect to the Josemaria project are available in the Josemaria Technical Report prepared for Josemaria Resources and filed under Josemaria Resources' SEDAR profile at www.sedar.com. See "Mineral Reserve and Mineral Resource Estimates" of this material change report for information on preparation of Mineral Reserves and Mineral Resource estimates as defined by NI 43-101.

Located entirely within the San Juan Province of Argentina, the Josemaria project is expected to produce an average of 166,000 tonnes of copper, 331,000 oz of gold and 1.2 million oz of silver per year for the first three years. Over a 19-year mine life defined by the current Mineral Reserve estimate, average annual production is forecast to be 131,000 tonnes of copper, 224,000 oz of gold and 1.0 million oz of silver at an average total cash cost of US\$1.55/lb of copper equivalent.

A feasibility study was completed on the project in November 2020, key operational findings of which are presented in the table at the end of this section. Upon completion of the Transaction, Lundin Mining plans to further review and undertake additional study work on the project development timeline, capital expenditure estimates, and economic estimates.

The project has been advancing through environmental approvals, and commercial and fiscal terms with federal and provincial authorities. The Environment and Social Impact Assessment (ESIA) for the project was submitted in the first quarter of 2021. Josemaria Resources anticipates the ESIA and commercial and fiscal terms to be finalized in 2022, outlining a project timeline of approximately five years to commercial production.

The Josemaria deposit is classified as a porphyry copper-gold system. The deposit area measures approximately 1,500 m north-south by approximately 1,000 m east-west and 600 to 700 m vertically from surface, within a larger alteration footprint of up to 4 km north-south by 2 km east-west. The deposit remains open to the south, beneath a thickening cover of post mineral volcanic rocks and also at depth.

The project site has ready access to water, grid power, transportation and logistical infrastructure within San Juan Province, which are to be further developed within the project scope.

Project Highlights:

- **Mining** – Josemaria is to be developed as a large-scale open-pit with a low strip ratio of 0.98 over the 19-year mine life. Electrically powered hydraulic shovels are envisaged in combination with ultra-class 360-tonne haul trucks.
- **Processing** – Mineral processing is to consist of a conventional crush, grind and flotation flowsheet producing a gold-rich copper concentrate. The concentrator is designed to treat sulphide ores at an average capacity of approximately 152,000 tpd, varying by ore type and characteristics over the life-of-mine.
- **Copper Concentrate** – Conventional sulphide flotation is to produce copper concentrate with significant gold by-product credit. The copper concentrate grade is expected to average approximately 27% copper, 14.2 g/t gold and 71.7 g/t silver over the life of the operation.
- **Operating costs** – Life-of-mine total cash cost is estimated to average US\$1.55/lb of copper equivalent (coproduct basis). Low overall operating costs can be attributed to the low strip ratio and lower cost of power and labour than many other established mining jurisdictions.
- **Mineral Reserves** – Mineral Reserves are estimated by Josemaria Resources to be 1,012 Mt at an average grade of 0.30% copper, 0.22 g/t gold and 0.94 g/t silver, containing approximately 6.7 billion lb of copper, 7.0 million oz of gold and 30.7 million oz of silver estimated using a copper price of US\$3.00/lb, gold price of US\$1,500/oz and silver price of US\$18.00/oz silver. The current Mineral Reserves support a 19-year operational life at the envisaged processing rate of an average of approximately 152,000 tpd.

Josemaria November 2020 Feasibility Study Operational Highlights

Average Process Capacity	152,000 tonnes/day	
Mine Life	19 years	
Life-of-Mine Mill Feed	1,012 million tonnes	
Life-of-Mine Diluted Grades	0.30% copper, 0.22 g/t gold, 0.94 g/t silver	
Life-of-Mine Strip Ratio (Waste:Ore)	0.98:1	
Life-of-Mine Average Process Recovery	85.2% copper, 62.6% gold, 72.0% silver	
	First 3 Years	Life-of-Mine
Average Annual Payable Metal Production	166,000 tonne copper	131,000 tonne copper
	331,000 oz gold	224,000 oz gold
	1,248,000 oz silver	1,048,000 oz silver
Total Cash Cost (co-product)	US\$1.55/lb copper equivalent	
Metal Prices	US\$3.00/lb copper, US\$1,500/oz gold, US\$18.00/oz silver	

Transaction Overview

The Transaction will be effected by way of a court-approved plan of arrangement under the *Canada Business Corporations Act* and will require approval by: (i) 66 $\frac{2}{3}$ % of the votes cast by Josemaria Resources shareholders; and (ii) 66 $\frac{2}{3}$ % of the votes cast by Josemaria Resources security holders (comprised of shareholders and optionholders).

Under the terms of the Transaction, Josemaria Resources shareholders may elect to receive in exchange for each Josemaria Resources common share, 0.1487 of a Lundin Mining Share or C\$1.60 cash or any combination thereof issuable to all Josemaria Resources shareholders. The Consideration will be subject to a total maximum cash consideration of approximately C\$183 million and a total maximum share consideration of approximately 39.7 million Lundin Mining Shares, equating to 30% of the Consideration payable in cash and 70% of the Consideration payable in Lundin Mining Shares, respectively. The maximum cash consideration and maximum share consideration will be adjusted by C\$0.48 in cash and 0.1041 of a Lundin Mining Share for each Josemaria Resources Share issued following the date of the Arrangement Agreement and prior to the effective time of the Transaction. In the event that the aggregate amount of the cash consideration or share consideration elected by all Josemaria Resources shareholders exceeds the respective limits, the Consideration will be pro-rated and Josemaria Resources shareholders will receive the other form of Consideration for the balance of their Josemaria Resources Shares. Any cash payments on Josemaria Resources Shares traded on Nasdaq Stockholm will be paid in Swedish kronor in accordance with Euroclear Sweden principles.

The Arrangement Agreement has been unanimously approved by the Board of Directors of each of Lundin Mining and Josemaria Resources, excluding: (i) in the case of Lundin Mining, Messrs. Ashley Heppenstall, Lukas Lundin and Jack Lundin who were recused from the considerations of the Transaction and abstained from voting on the Transaction as Mr. Heppenstall is also a director of Josemaria Resources and Messrs. Jack Lundin and Lukas Lundin are strategic advisors of Josemaria Resources; and (ii) in the case of Josemaria Resources, Mr. Ashley Heppenstall. The special committee of independent directors of Lundin Mining unanimously recommended that the Board of Directors of Lundin Mining approve the Transaction and the entering into of the Arrangement Agreement. The special committee of independent directors of Josemaria Resources unanimously recommended that the Board of Directors of Josemaria Resources approve the Transaction and the entering into of the Arrangement Agreement and recommend to the shareholders of Josemaria Resources to vote in favour of the Transaction. The Board of Directors of Josemaria Resources (with Mr. Heppenstall abstaining) unanimously recommend that the shareholders of Josemaria Resources vote in favour of the Transaction. The Arrangement Agreement includes a US\$100 million bridge financing facility with drawdowns based on budgets approved by Lundin Mining.

Morgan Stanley has provided a fairness opinion to the Board of Directors of Lundin Mining and TD Securities Inc. has provided a fairness opinion to the Lundin Mining special committee, each stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the Consideration to be paid by Lundin Mining under the Transaction was fair, from a financial point of view, to Lundin Mining.

BMO Capital Markets provided the Josemaria Resources special committee and Board of Directors with a fairness opinion to the effect that, as of the date of such opinion, the Consideration to be paid under the Transaction is fair, from a financial point of view, to holders of Josemaria Resources Shares, based upon and subject to the respective assumptions, limitations, qualifications and other matters set forth in such opinion.

Officers, directors and strategic advisors of Josemaria Resources, along with the largest shareholders of Josemaria Resources, being Lorito Holdings S.a.r.l. ("**Lorito**") and Zebra Holdings and Investments S.a.r.l. ("**Zebra**"), representing in aggregate approximately 42% of the issued and outstanding Josemaria Resources Shares, have entered into voting support agreements with Lundin Mining and have agreed to vote in favour of the Transaction at the special meeting of the securityholders of Josemaria Resources to be

held to consider the Transaction. Lorito and Zebra representatives have indicated the intention to elect to receive entirely the share consideration.

Completion of the Transaction is expected to occur early in the second quarter of 2022 and is subject to regulatory approvals, including but not limited to TSX, Nasdaq Stockholm's admission to trading of the new Lundin Mining Shares and the approval and registration of the Swedish Financial Supervisory Authority of a Swedish prospectus prepared by Lundin Mining, and the satisfaction of customary closing conditions, in addition to Josemaria Resources securityholder and court approvals. The Arrangement Agreement also provides for customary deal-protection measures, including and among others, non-solicitation provisions on the part of Josemaria Resources (subject to customary "fiduciary out" provisions), a right to match an unsolicited superior proposal in favour of Lundin Mining, and a termination payment of C\$20 million by Josemaria Resources to Lundin Mining payable under certain circumstances.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This material change report does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Lundin Mining and Josemaria Resources have provided representations and warranties customary for a transaction of this nature. Josemaria Resources has provided customary interim period covenants regarding the operation of its business in the ordinary course.

Further information regarding the Transaction will be contained in an information circular that Josemaria Resources will prepare, file and mail in due course to its shareholders in connection with the Josemaria Resources special meeting. Lundin Mining will also prepare and publish a prospectus for Nasdaq Stockholm shareholders of Josemaria Resources in accordance with the Swedish listing rules.

Details regarding these and other terms of the Transaction are set out in the Arrangement Agreement, which will be available on SEDAR at www.sedar.com.

Mineral Reserve and Mineral Resource Estimates

The estimated Mineral Reserve for the Josemaria project, estimated by Josemaria Resources, is presented in the table below and is extracted from the Josemaria Technical Report. Further details about the Mineral Reserve and Mineral Resource estimates, including assumptions, parameters, estimation methods used, risks and data verification measures, are available in the Josemaria Technical Report filed under Josemaria Resources' SEDAR profile at www.sedar.com.

Mineral Reserve Statement

Category	Tonnes (Mt)	Copper %	Gold g/t	Silver g/t	Contained Metal		
					Copper (M lb)	Gold (M oz)	Silver (M oz)
Proven	197	0.43	0.34	1.33	1,844	2.14	8.43
Probable	815	0.27	0.19	0.85	4,861	4.87	22.29
Total (P&P)	1,012	0.30	0.22	0.94	6,705	7.02	30.72

Notes:

1. Mineral Reserves have an effective date of September 28, 2020. The Qualified Person for the estimate is Mr. Robert McCarthy, P.Eng.
2. The Mineral Reserves were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Definition Standards for Mineral Resources and Reserves, as prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
3. The Mineral Reserves were based on a pit design which in turn aligned with an ultimate pit shell selected from a Whittle™ pit optimization exercise. Key inputs for that process are:
 - Metal prices of US\$3.00/lb copper, US\$1,500/oz gold, US\$18.00/oz silver.
 - Variable mining cost by bench and material type. Average costs are US\$1.351/t, US\$1.36/t and US\$1.65/t for ore, Non-Acid Generating waste and Potentially Acid Generating waste, respectively.
 - Processing costs vary by metallurgical zone, ranging from US\$3.77/t tonalite ore milled to US\$3.71/t supergene.
 - Infrastructure on and off-site US\$0.43/t milled.
 - Indirect costs US\$0.46/t milled.
 - Sustaining capital costs of US\$0.54/t milled for tailings and US\$0.17/t mined for mining equipment.
 - Pit average slope angles varying from 37° to 43°.
 - Process recoveries for copper and gold are based on grade. The average recovery is estimated to be 85.2% for copper and 62.6% for gold. Silver recovery is fixed at 72.0%.
4. Mining dilution is accounted for by averaging grades in adjacent blocks across a thickness of 2.5 m into each block (5.0 m per block contact).
5. The Mineral Reserve has an economic cut-off for prime mill feed, based on net smelter return of US\$5.22/t, US\$5.21/t, US\$5.18/t and US\$5.16/t milled for tonalite, rhyolite, porphyry and supergene material respectively and an additional US\$0.53/t for stockpiled ore.
6. There are 991 Mt of waste in the ultimate pit. The strip ratio is 0.98 (waste:ore).
7. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

The Mineral Resource for the Josemaria project, estimated by Josemaria Resources, is presented in the table below and is extracted from the Josemaria Technical Report. Mineral Resources are presented inclusive of Mineral Reserves.

Sulphide Mineral Resource Statement at 0.1% Copper Equivalent Cut-Off

Category	Tonnes (Mt)	Copper %	Gold g/t	Silver g/t	Contained Metal		
					Copper (B lb)	Gold (M oz)	Silver (M oz)
Measured	197	0.43	0.34	1.3	1.9	2.2	8.5
Indicated	962	0.26	0.18	0.9	5.5	5.6	26.6
Total (M&I)	1,159	0.29	0.21	0.9	7.4	7.8	33.5
Inferred	704	0.19	0.10	0.8	2.9	2.3	18.6

Oxide Mineral Resource Statement at 0.2g/t Gold Cut-Off

Category	Tonnes (Mt)	Gold g/t	Silver g/t	Contained Metal	
				Gold (000 oz)	Silver (000 oz)
Measured	26	0.33	1.2	280	994
Indicated	15	0.28	1.3	132	632
Total (M&I)	41	0.31	1.2	410	1,585
Inferred	0				

Notes:

1. Mineral Resources are inclusive of Mineral Reserves.

2. Mineral Resources have an effective date of July 10, 2020. The Qualified Person for the estimate is Mr. James N. Gray, P.Geo.
3. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Definition Standards for Mineral Resources and Reserves, as prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
4. Sulphide copper equivalency equation (CuEq) assumes metal prices of US\$3.00/lb copper, US\$1,500/oz gold and US\$18/oz silver.
5. CuEq is based on copper, gold and silver recoveries derived from metallurgical test work as applied in the pit optimization and mine design process (average life-of-mine recoveries used: 85.2% copper, 62.6% gold, 72.0% silver).
6. The copper equivalency equation used is: $CuEq (\%) = (\text{copper grade} (\%) \times \text{copper recovery} \times \text{copper price} (\$/t) + \text{gold grade} (\text{oz/t}) \times \text{gold recovery} \times \text{gold price} (\$/\text{oz}) + \text{silver grade} (\text{oz/t}) \times \text{silver recovery} \times \text{silver price} (\$/\text{oz})) / (\text{copper price} (\$/t) \times \text{copper recovery})$.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
8. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

Technical Information

Jeremy Weyland, P.Eng., Acting Vice President, Technical Services, Lundin Mining, a “qualified person” as defined under NI 43-101, has reviewed and approved the scientific and technical information in this material change report, including the scientific and technical information derived from the Josemaria Technical Report. Mr. Weyland has verified the data disclosed in this material change report and no limitations were imposed on his verification process.

Further details with respect to the Josemaria project are available in the Josemaria Technical Report prepared for Josemaria Resources and filed under Josemaria Resources’ SEDAR profile at www.sedar.com.

Related Party Transaction Disclosure

The issuance or payment of the Consideration to Lorito, Zebra, Ashley Heppenstall, Lukas Lundin and Jack Lundin (collectively, the “**Related Parties**”) constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions (“MI 61-101”)*. Based on the Josemaria Resources securities held by the Related Parties (directly or indirectly) as at December 19, 2021, and if the Related Parties elect to receive all share consideration and are not subject to pro-ration, up to 22,229,875 Lundin Mining Shares may be issuable as share consideration to Lorito and Zebra, and up to 1,170,358, 421,675 and 22,305 Lundin Mining Shares (including Lundin Mining Shares issuable upon exercise of the Josemaria stock options) may be issuable as share consideration to Ashley Heppenstall, Lukas Lundin and Jack Lundin, respectively. The Related Parties have indicated their intention to elect to receive entirely the share consideration.

As of December 19, 2021, Nemesia S.a.r.l. (“**Nemesia**”), which is controlled by Lorito and Zebra, held an aggregate of 94,822,698 Lundin Mining Shares, representing approximately 12.9% of the issued and outstanding Lundin Mining Shares. Lorito and Zebra are controlled by a trust settled by the late Adolf H. Lundin. Following the issuance of the share consideration on completion of the Transaction and assuming no pro-ration, Lorito and Zebra will beneficially own 117,052,573 Lundin Mining Shares (including shares owned by Nemesia), representing approximately 15.1% of the issued and outstanding Lundin Mining Shares post-Transaction.

The Company is relying on exemptions from the formal valuation requirement and the minority approval requirement pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as neither the fair market value of the Consideration issuable or payable to the Related Parties nor the fair market value of the Josemaria Resources securities held

(directly or indirectly) by the Related Parties is more than 25% of the Company's market capitalization as determined in accordance with MI 61-101.

As described above under "*Transaction Overview*", the Related Parties have entered into voting support agreements with Lundin Mining and have agreed to vote in favour of the Transaction at the special meeting of the securityholders of Josemaria Resources to be held to consider the Transaction.

As further described above under "*Transaction Overview*", the issuance and payment of the Consideration pursuant to the Transaction, including to the Related Parties, was unanimously approved by the Board of Directors of Lundin Mining (excluding Ashley Heppenstall, Lukas Lundin and Jack Lundin). The Lundin Mining special committee unanimously recommended that the Board of Directors approve the transactions contemplated by the Arrangement Agreement, including the issuance and payment of the Consideration to the Related Parties. The Lundin Mining special committee is comprised of Don Charter (Chair), Peter Jones and Dale Peniuk, all of whom are independent directors of Lundin Mining and independent of Josemaria Resources and Lorito and Zebra.

As part of the review and approval process, the Lundin Mining Board of Directors and special committee considered that the Company has been pursuing a strategy to expand its copper production, that the Company has reviewed a number of potential acquisitions to achieve this strategy since the Company's acquisition of the Chapada mine, and that it was management's view that earlier stage assets presented more viable opportunity to achieve this strategy than producing assets. Lundin Mining conducted due diligence, including site visits, over a period several months prior to the entering into of the Arrangement Agreement. Conflicts of interest were identified and declared at an early stage and protocols were put in place to exclude any directors who had an interest in the Transaction from discussions relating to the Transaction.

Prior to reaching its conclusions, the Lundin Mining Board of Directors and special committee reviewed the materials presented by management, asked questions of management and considered risks with respect to the advancement and completion of the Josemaria project. The Board of Directors and special committee discussed the review, and received advice from the legal and financial advisors to the Company and the legal and financial advisors to the special committee. In each case, the Board of Directors and special committee met on a number of occasions to receive information and consider and evaluate the Transaction.

The Lundin Mining Board of Directors and special committee also reviewed a significant amount of technical, financial and operational information relating to Josemaria Resources and Lundin Mining and considered a number of factors and reasons, including, among other things, those set forth under "*Acquisition Highlights and Strategic Rationale*" and listed below:

- the strategic rationale for the Transaction as described in this material change report;
- the financial model prepared by Lundin Mining management and management's views as to the value of the Josemaria project including the asset values and its mineral reserves and mineral resources;
- the strong balance sheet of the Company and the conservative level of debt in the Company post-Transaction;
- the ability of the Company to continue with the current development plans of the Company on its current assets;
- the financial analysis provided by the financial advisors and the delivery of their fairness opinions, each stating that, as of the date of such opinion, and based upon

and subject to the assumptions, limitations and qualifications stated in such opinion, the Consideration to be paid by Lundin Mining under the Transaction was fair from a financial point of view to the Company; and

- all of the directors, senior officers, strategic advisors, and large shareholders of Josemaria Resources have entered into voting support agreements pursuant to which they have agreed, among other things, to vote in favour of the Transaction.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Mark Turner, Director, Business Valuations and Investor Relations

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Item 9 Date of Report

December 23, 2021

Cautionary Statement on Forward-Looking Information

This material change report contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Lundin Mining and Josemaria Resources with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and include information regarding: (i) expectations regarding whether the proposed Transaction will be consummated, including whether conditions to the consummation of the Transaction will be satisfied, or the timing for completing the Transaction, (ii) expectations regarding the potential benefits and synergies of the Transaction and the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays, (iii) expectations regarding additions to mineral resources, mineral reserves and future production, (iv) expectations regarding financial strength, free cash flow generation, trading liquidity, and capital markets profile, (v) expectations regarding future exploration and development, growth potential for Lundin Mining’s and Josemaria Resources’ operations, (vi) the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act to the securities issuable in the Transaction, and (vii) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Lundin Mining’s and Josemaria Resources respective management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Lundin Mining and Josemaria Resources’ each believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Transaction; the ability to obtain requisite court, regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms and schedule; the ability of Lundin Mining and Josemaria Resources to successfully integrate their respective operations and employees and realize synergies and cost savings at the times, and to the extent, anticipated; the potential impact on exploration activities; the potential impact of the announcement or consummation of the Transaction on relationships,

including with regulatory bodies, employees, suppliers, customers and competitors; the re-rating potential following the consummation of the Transaction; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Transaction. This forward-looking information may be affected by risks and uncertainties in the business of Lundin Mining and Josemaria Resources and market conditions. This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by Lundin Mining and Josemaria Resources with the Canadian securities regulators, including Lundin Mining's and Josemaria Resources' respective annual information form, financial statements and related MD&A for the financial year ended December 31, 2020 and their respective interim financial reports and related MD&A for the period ended September 30, 2021 filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

This material change report also contains Future Oriented Financial Information and financial outlooks (collectively, "**FOFI**") within the meaning of applicable Canadian securities laws. The FOFI has been prepared by management of Lundin Mining and Josemaria Resources as at December 17, 2021, to demonstrate the potential benefits of the Transaction to shareholders. The FOFI has been prepared based on a number of assumptions that management of Lundin Mining and Josemaria Resources believe are reasonable. However, because this information is highly subjective and subject to numerous risks, including the risks discussed above, it should not be relied on as necessarily indicative of future results.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Lundin Mining and Josemaria Resources have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Lundin Mining and Josemaria Resources do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

Non-IFRS Measures

Lundin Mining has included certain non-IFRS measures in this document. Lundin Mining believes that these measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standards ("**IFRS**"), provide investors an improved ability to evaluate the underlying performance of Lundin Mining and Josemaria Resources and the proposed transaction. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.